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**U.S., Australia, Canada, Chile and New Zealand
Sign Agreement to Promote Wine Trade**

TORONTO - The Office of the United States Trade Representative has announced that the United States has signed an agreement with Australia, Canada, Chile and New Zealand to promote trade in wine between the countries. The Agreement was signed last night in Toronto, Canada, by Assistant U.S. Trade Representative for Agricultural Affairs James M. Murphy, Jr. The Agreement will facilitate U.S. wine exports through the countries' mutual acceptance of their respective wine making practices.

The Agreement on Mutual Acceptance of Oenological Practices (winemaking) recognizes that wine making practices around the world differ due to local conditions, climatic variations and traditions. Under the Agreement, each country will permit the importation of wines from the other countries that were made in accordance with their domestically-approved wine making practices.

In other provisions, the Agreement will establish transparency requirements and consultation and dispute settlement mechanisms. The Agreement does not limit the United States' rights or obligations under the WTO Agreement, including the right to take measures for the protection of human health and safety.

U.S. wine exports to Australia, Canada, Chile and New Zealand totaled \$93 million in 2000, while U.S. wine imports from the four countries were valued at \$434 million.

Background:

The Agreement will enter into force when two of the five signatory countries complete their approval procedures for trade agreements and formally notify the United States (the depository country). The remaining signatories will become parties as they complete their approval procedures.

Argentina and South Africa took part in the negotiation of the Agreement, and have the option to sign it

prior to March 31, 2002. Additional countries may join the arrangement under procedures and conditions established in the Agreement.

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